

BANYAN GOLD CORP.
FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

MARCH 31, 2017

(Unaudited - Prepared by Management)



Notice of Disclosure of Non-auditor Review of Interim Financial Statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3 (3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Corporation for the interim period ended March 31, 2017 have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Corporation's management.

The Corporation's independent auditors have not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

Dated this 26th day of May 2017.



BANYAN GOLD CORP.
INTERIM STATEMENT OF FINANCIAL POSITION

(Unaudited - Prepared by Management)

For the quarter ended March 31, 2017 - Expressed in Canadian Funds

	March 31 2017	September 30 2016
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	\$ 2,065,086	\$ 926,496
Accounts receivable	4,485	16,860
Prepays	<u>2,572</u>	<u>21,245</u>
	\$ 2,072,143	\$ 964,602
Capital Assets, net (Note 8)	\$ 4,772	\$ 5,615
Exploration and evaluation asset (Note 6)	<u>1,398,089</u>	<u>1,349,222</u>
Total Assets	\$ 3,475,005	\$ 2,319,439
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 39,607	\$ 105,110
Exploration amount to be renounced	<u>164,324</u>	<u>95,445</u>
	<u>203,931</u>	<u>200,555</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	3,568,163	2,730,926
Contributed surplus	1,446,103	798,611
Deficit	<u>(1,743,192)</u>	<u>(1,410,653)</u>
	<u>3,271,074</u>	<u>2,118,884</u>
Total liabilities and shareholders' equity	\$ 3,475,005	\$ 2,319,439

Tara Christie
CEO & President

David Rutt
CFO

BANYAN GOLD CORP.**CONDENSED INTERIM STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited - Prepared by Management)

Expressed in Canadian Funds

	Three Months Ended		Six Months Ended	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
EXPENSES				
Professional Fees	\$ 23,693	\$ 43,824	\$ 38,598	\$ 54,824
General & Admin	26,789	5,799	51,048	32,471
Management Fees	45,750	12,500	57,980	21,000
Listing & Filing Fees	8,267	8,167	8,267	8,312
Future Income Tax Expense	87,220	0	68,879	0
Stock Based Compensation	83,340	0	107,767	0
LOSS BEFORE OTHER ITEMS	275,059	70,290	332,539	116,607
Interest Income	0	0	0	0
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 275,059	70,290	332,539	116,607
Loss per common share - basic & diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding	50,692,535	27,153,231	48,770,657	25,761,049

BANYAN GOLD CORP.
STATEMENT OF CHANGES IN EQUITY

(Unaudited - Prepared by Management)

For the Quarter Ended March 31, 2017 & 2016 - Expressed in Canadian Funds

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Shareholders Equity
Balance, September 30, 2015	24,384,000	1,633,762	354,845	(919,824)	1,068,783
Stock based compensation on stock options (Note 5)			19,453		19,453
Shares Issued for Financing:					
Proceeds from share issuance	4,000,000	200,000			200,000
Share Issuance Costs		(63,477)			(63,477)
Fair Value Warrants			61,127		61,127
Net loss for the six months				(116,607)	(116,607)
Balance, Mach 31, 2016	28,384,000	1,770,285	435,425	(1,036,431)	1,169,279
Balance, September 30, 2016	46,890,560	2,730,926	798,611	(1,410,653)	2,118,884
Stock based compensation on stock options (Note 5)			107,767		107,767
Shares Issued for Financing:					
Proceeds from share issuance	9,361,316	800,000			800,000
Share Issuance Costs		(545,816)			(545,816)
Fair Value Warrants			539,725		539,725
Shares Issued for Warrant Exercises (Note5)	7,927,692	583,054			583,054
Net loss for the six months				(332,539)	(332,539)
Balance, Mach 31, 2017	64,179,568	3,568,164	1,446,103	(1,743,192)	3,271,075

Note: All shares issued have been Class A common shares. No Class B common shares or Preference shares have been issued.

BANYAN GOLD CORP.
CONDENSED INTERIM STATEMENT OF CASH FLOWS

(Unaudited - Prepared by Management)
Expressed in Canadian Funds

	Three Months Ended		Six Months Ended	
	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Cash Flows from Operating Activities				
Net loss for the period	\$ (275,059)	\$ (70,290)	\$ (332,539)	\$ (116,607)
Adjustments for items not involving cash:				
Amortization	421	601	842	1,203
Future Income Tax for Renunciation	87,220	-	68,879	-
Stock based compensation	83,340	-	107,767	19,453
	(104,078)	(69,689)	(155,051)	(95,951)
Changes in non-cash working capital items:				
Decrease (Increase) in receivables & accrued interest	1,501	21,062	12,375	59,089
Decrease (Increase) in Prepays & Deposits	(2,309)	(3,378)	18,673	(878)
Increase (Decrease) in payables and acc. Liabilities	(20,644)	(66,324)	(65,503)	(70,103)
Net cash used in operating activities	(125,530)	(118,329)	(189,506)	(107,843)
Cash Flows from Investing Activities				
Government Grant for Exploration	40,000	-	40,000	-
Exploration and Evaluation - Hyland	(985)	(281)	(88,867)	(13,919)
Net cash from investing activities	39,015	(281)	(48,867)	(13,919)
Cash Flows from Financing Activities				
Proceeds from Share Issuance	1,383,054	200,000	1,383,054	200,000
Share Subscriptions Received	-	(50,000)	-	-
Share Issuance Costs (excluding warrant costs)	(6,091)	(2,350)	(6,091)	(2,350)
Net cash from financing activities	1,376,963	147,650	1,376,963	197,650
Increase (Decrease) in cash & cash equivalents during the period	1,290,448	29,040	1,138,590	75,888
Cash & Cash Equivalents - Beginning of the Period	774,639	51,253	926,496	4,405
Cash & Cash Equivalents - End of the Period	2,065,086	80,293	2,065,086	80,293

Supplemental Disclosures

Interest paid	\$	-	\$	-
Interest received	\$	-	\$	-

BANYAN GOLD CORP.

NOTES TO THE FINANCIAL STATEMENTS

For the Quarters ended March 31, 2017 and 2016

1. NATURE AND CONTINUANCE OF OPERATIONS

Banyan Gold Corp. (the "Company"), was incorporated as Banyan Coast Capital Corp. by a Certificate of Incorporation issued pursuant to the provisions of the Alberta Business Corporations Act ("ABCA") on July 26, 2010. The address of the Company's head office is Suite 250 - 2237 2nd Avenue Whitehorse, Yukon and the registered office is 166 Cougarstone Crescent SW, Calgary, AB T3H 4Z5. These financial statements were approved and authorized for issuance by the Board of Directors on May 26, 2017.

The Company commenced trading on January 27, 2011, and trades under the symbol BYN.

On February 15, 2013 the Company completed its qualifying transaction by acquiring the Hyland Gold Project and raised \$500,000 by way of a non-brokered private placement.

These financial statements are presented on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of operations.

The Company does not generate cash flows from operations and has therefore relied principally on the issuance of equity securities to finance its operation activities to the extent that such instruments are issuable under terms acceptable to the Company.

If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates. The financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PRESENTATION

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on a historical costs basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carry amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) the recoverability of receivables which are included in the statements of financial position;
- ii) the inputs used in accounting for stock-based compensation expense, which are included in the statement of operations;
- iii) recoverability of future income tax asset;
- iv) recoverability of exploration and evaluation expense asset;
- v) the valuation of the rehabilitation provision; and
- vi) the valuation of share-based payments transactions.

BANYAN GOLD CORP.

NOTES TO THE FINANCIAL STATEMENTS

For the Quarters ended March 31, 2017 and 2016

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used by the Company are discussed in detail in the 2016 annual MD&A for the year ended September 30, 2016, under the heading "Critical Judgements and Accounting Estimates", as well as the 2016 annual audited financial statements for the year ended September 30, 2016, in Note 3.

There have been no material changes applied to these accounting policies from September 30, 2016 up to the date of this MD&A.

4. CASH AND CASH EQUIVALENTS

	March 31, 2017	March 31, 2016
Cash on Deposit	\$ 2,065,086	\$ 80,293
Liquid short term deposit	<u>-</u>	<u>-</u>
	\$ 2,065,086	\$ 80,293

5. SHARE CAPITAL

Authorized:

Unlimited number of:

- Unlimited Class A voting common shares
- Unlimited Class B non-voting, common shares
- Unlimited Preferred Shares

All issued shares are fully paid. There were 64,179,568 Class A common shares issued and outstanding on March 31, 2017.

Transactions

On March 7, 2017, the TSX Venture Exchange approved a non-brokered private placement of \$800,000. The Private Placement consisted of 3,406,312 flow through shares priced at \$0.095 per share and 5,955,004 units ("Units") priced at \$0.08 per unit, each unit to consist of 1 common share and 1 full Warrant, each full Warrant exercisable at \$0.115 for a period of 30 months from regulatory approval.

The warrants, which form part of the units, will be subject to an acceleration clause whereby they may have their expiry time accelerated at any time prior to the expiry of the Warrants if the volume weighted average trading price of the Corporation's shares on the TSX Venture Exchange is greater than \$0.13 for 20 consecutive trading days, at which time the Corporation may give notice in writing to the Warrant holders within 10 days of such an occurrence that the Warrants shall expire on the 30th day following the giving of such notice.

During a quarter a total of 7,927,692 warrants were exercised and 7,927,692 shares were issued for total proceeds of \$583,054.

BANYAN GOLD CORP.

NOTES TO THE FINANCIAL STATEMENTS

For the Quarters ended March 31, 2017 and 2016

5. SHARE CAPITAL (continued)

The following series of warrants were exercised:

4,300,000 @ \$0.075 with an expiry date of March 12, 2017
407,692 @ \$0.085 with an expiry date of August 24, 2018
100,000 @ \$0.075 with an expiry date of April 20, 2017
3,120,000 @ \$0.07 with an expiry date of January 29, 2019

During the prior year's quarter ended March 31, 2016, the Company completed a non-brokered private placement of four million units at 5 cents per unit for gross proceeds of \$200,000.

Each unit consists of one common share and one full non-transferable common share purchase warrant, with each full warrant exercisable into one common share of the company at an exercise price of 7 cents, for a period of 36 months from the date of issuance.

Stock Options

The Company has established a stock option plan (the "Plan") for the directors, officers, employees and consultants of the Company. The Plan is administered by the Board of Directors of the Company who establish the exercise prices, vesting conditions and expiry date of the options in accordance with the requirements imposed by the Exchange. The aggregate number of shares assumable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding shares reserved for the issuance to (a) any individual director or officer which will not exceed 5% of the issued and outstanding common shares, and (b) all consultants which will not exceed 2% of the issued and outstanding common shares.

During the quarter ended March 31, 2017, the Company granted stock options to directors and officers to purchase 800,000 common shares, at an exercise price of \$0.11 per share, exercisable on or before March 4, 2022.

The fair value of stock options granted is estimated on this date, using the Black-Scholes option pricing model, with the following assumptions:

Risk-free interest rate	1.16%
Estimated volatility	172%
Expected Life	5 years
Expected dividend yield	0%

The fair value of all stock options granted was \$0.1042

On March 31, 2016, the following incentive stock options were outstanding to directors, officers and advisors:

250,050 stock options exercisable at \$0.15 with an expiry of January 25, 2021
650,000 stock options exercisable at \$0.05 with an expiry of January 31, 2019
75,000 stock options exercisable at \$0.05 with an expiry of April 22, 2019
675,000 stock options exercisable at \$0.05 with an expiry of August 10, 2020
500,000 stock options exercisable at \$0.065 with an expiry of August 4, 2021
500,000 stock options exercisable at \$0.085 with an expiry of August 26, 2021

BANYAN GOLD CORP.

NOTES TO THE FINANCIAL STATEMENTS

For the Quarters ended March 31, 2017 and 2016

5. SHARE CAPITAL (continued)

350,000 stock options exercisable at \$0.07 with an expiry of October 27, 2021

800,000 stock options exercisable at \$0.11 with an expiry of March 4, 2022

Option pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

During the previous quarter ended March 31, 2016, the Company granted stock options to directors and officers to purchase 115,000 common shares, at an exercise price of \$0.05 per share, exercisable on or before February 1, 2021. At the same time, the Company cancelled 115,000 options which had previously been issued on December 31, 2015

Warrants

The Company has 11,451,916 warrants outstanding at the end of the current period. Specific details on expiry and terms are as follows:

500,000 warrants exercisable at \$0.075 until April 10, 2017

880,000 warrants exercisable at \$0.07 until January 29, 2019

4,116,912 warrants exercisable at \$0.085 until August 24, 2018

5,955,004 warrants exercisable at \$0.115 until September 8, 2019

In conjunction with the Company's non-brokered private placement of March 7, 2017, a total of 5,955,004 warrants were issued with an exercise price of \$0.0115 for a period of 30 months subject to an acceleration clause.

The fair value of warrants issued is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.43%
Estimated volatility	172%
Expected life	2.5 years
Expected dividend yield	0%

The fair value of all warrants granted was \$0.0906.

6. RESOURCE PROPERTIES

The Company has an interest in the Hyland Gold Project and is located in the Watson Lake Mining District of southeast Yukon, approximately 74 kilometres northeast of the town of Watson Lake. The Hyland Gold Project consists of 927 claims totaling over 18,620 hectares. Banyan has earned a 100% interest in all properties subject to various NSR agreements with an aggregate royalty of 2.5% subject to a maximum buy back of 1.5%.

During the six months ended March 31 2016 the Company received government grant funding of \$40,000 which was booked in the prior quarter.

During the six months ended March 31, 2017 the Company received government grant funding of \$40,000 which was booked during the quarter ended March 31, 2017.

BANYAN GOLD CORP.

NOTES TO THE FINANCIAL STATEMENTS

For the Quarters ended March 31, 2017 and 2016

6. RESOURCE PROPERTIES (continued)

Hyland Project

Closing balance – September 30, 2015	\$ 1,049,367
Government grant receivable for work completed	(nil)
Exploration and evaluation expenses capitalized	13,919
Closing balance – March 31, 2016	\$ 1,063,005
Closing balance September 30, 2016	\$ 1,349,222
Government grant receivable for work completed	(40,000)
Exploration and evaluation expenses capitalized	88,867
Closing balance – March 31, 2017	\$ 1,398,089

Aurex & McQuesten

On February 28, 2017 the Company announced that it has signed letters of intent for option agreements (the "Options") to acquire up to 100% of the Aurex Property, from Victoria Gold Corp. ("Victoria") and up to 100% of the McQuesten Property, from Alexco Resource Corp. ("Alexco"). The Aurex and McQuesten gold properties are contiguous, comprising 8,230 hectares and 1,000 hectares respectively and are both highly prospective for intrusive-related gold mineralization, and include areas of historic gold production (lode and placer), in the prolific Mayo Mining District, Yukon Territory.

Highlights of Aurex Agreement with Victoria:

Under the terms of the binding Letter Agreement with Victoria, which is subject to TSX Venture Exchange ("TSX-V") approval, Banyan may earn up to 100% interest in the Aurex property in three (3) stages:

- Initial 51% Option Interest - To acquire the initial 51% Option Interest in the Property, the Company is required, over a period of four (4) years, to issue in stages a total of 3 million common shares in the capital of the Company, and to incur in stages minimum exploration expenditures totaling \$1.6 million on the Property. Banyan will act as the Property's operator during the initial four-year term and has the option to defer expenditures into a 5th year. Following the earning of the 51% Option Interest, a joint venture ("JV") will be formed and Banyan will have the ability to elect to earn an additional 24%.
- Additional 24% Interest - In order to earn the Additional 24% Interest, such that Banyan would have an aggregate interest of 75% in the Property, Banyan will be required to spend an additional \$3.5 million in exploration expenditures over five (5) years. Upon having earned the Additional 24% Interest, Banyan will continue to act as the Property's operator and may elect to earn an additional 25%.
- Additional 25 % interest - In order to earn the Additional 25% Interest, such that Banyan would have an aggregate interest of 100% in the Property, within two (2) years Banyan must pay Victoria \$2 million cash or shares and grant Victoria a 6% net smelter return ("NSR") royalty with buybacks totaling \$7 million to reduce to a 1% NSR royalty on Au and a 3% NSR royalty on Ag.

BANYAN GOLD CORP.

NOTES TO THE FINANCIAL STATEMENTS

For the Quarters ended March 31, 2017 and 2016

6. RESOURCE PROPERTIES (continued)

As part of the agreement, Victoria will make a strategic investment in Banyan of \$100,000 which was completed on March 7, 2017.

Highlights of McQuesten Agreement with Alexco:

Under the terms of the McQuesten non-binding letter agreement with Alexco, it is intended that the parties will negotiate a binding agreement, which will be subject to TSX-V, Government of Canada and Silver Wheaton Corp. approvals, under which Banyan may earn up to a 100% interest in the McQuesten property in three (3) stages:

- Initial 51% Option Interest - To acquire the initial 51% Option Interest in the Property, the Company is required, over a period of four (4) years, to issue in stages a total of 1.6 million common shares in the capital of the Company, and to incur in stages minimum exploration expenditures totaling \$1.6 million on the Property. Banyan will act as the Property's operator during the initial four-year term and has the option to defer expenditures into a 5th year. Following the earning of the 51% Option Interest, a JV will be formed and Banyan will have the ability to elect to earn an additional 24%.
- Additional 24% Interest - In order to earn the Additional 24% Interest, such that Banyan would have an aggregate interest of 75% in the Property, within three (3) years Banyan must spend an additional \$1 million in exploration expenditures, deliver a Preliminary Economic Assessment and pay Alexco \$600,000 in cash or shares of Banyan. Upon having earned the Additional 24% Interest, Banyan will continue to act as the Property's operator and may elect to earn an additional 25%.
- Additional 25% interest - In order to earn the Additional 25% Interest, such that Banyan would have an aggregate interest of 100% in the Property, within two (2) years Banyan must pay Alexco \$2 million in cash or shares, deliver a Pre-Feasibility Study and grant Alexco a 6% NSR royalty with buybacks totaling \$7 million to reduce to a 1% NSR royalty on Au and a 3% NSR royalty on Ag.

Alexco will make a strategic investment of \$350,000 in Banyan which was completed on March 7, 2017, and will have the right to participate in future financings and have a right to a Board seat as long as it maintains a minimum 10% equity ownership in Banyan.

The definitive agreements with Alexco and Victoria were completed on May 24, 2017 pending TSX Venture approval and in the case of Alexco, requiring the consent of Silver Wheaton and the Government of Canada.

7. RELATED PARTY TRANSACTIONS

During the quarter, \$56,250 (2015 - \$41,000) was expensed to the corporation by officers of the Company. \$15,750 (2016 - \$10,500) has been billed to management fees by 1195472 Ontario Ltd. for the CFO and \$10,500 (2016 - \$10,500) to professional fees by Paul D. Gray Geological Consulting and \$30,000 by 44984 Yukon Inc. for management fees for Tara Christie, CEO (2016 - \$20,000 by Caravel Capital for the previous CEO.)

BANYAN GOLD CORP.

NOTES TO THE FINANCIAL STATEMENTS

For the Quarters ended March 31, 2017 and 2016

8. PROPERTY AND EQUIPMENT

Field & Automotive Equipment

Cost at March 31, 2016	\$ 9,436
Accumulated amortization at March 31, 2016	\$ 2,619
Net book value at March 31, 2016	<u>\$ 6,818</u>
Six month period amortization	842
Accumulated amortization at Mar 31, 2017	<u>\$ 4,664</u>
March 31, 2017 Net book Value	<u>\$ 4,772</u>

9. FINANCIAL AND CAPITAL RISK MANAGEMENT

Fair value estimates are made at the reporting date, based on relevant market information and other information about the financial instruments. Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from the markets.

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

All of the Company's cash and cash equivalents are assessed to be in Level 1.

The fair market value of the Company's receivables, payables and accruals approximate their carrying amount due to their short-term nature.

a) Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash that might be raised from equity financings.

BANYAN GOLD CORP.

NOTES TO THE FINANCIAL STATEMENTS

For the Quarters ended March 31, 2017 and 2016

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

As at March 31, 2017, the Company had a cash balance of \$2,065,086 (2016 - \$80,293) and current liabilities of \$203,931 (2016 - \$12,781). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company has working capital of \$1,868,212 (2016 - \$99,175).

c) *Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not believe a change by 1% in interest rate will have a significant impact on the fair value of its cash equivalents.

d) *Foreign Currency Risk*

The Company's reporting currency is in Canadian dollars and major transactions are denominated in Canadian dollars. Therefore the Company's currency risk is not significant.

Capital Disclosures

The Company manages its capital, consisting of shareholders' equity, in a manner consistent with the risk characteristics of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

The Company's objectives when managing capital are:

- a) to safeguard the Company's ability to continue as a going concern; and
- b) to facilitate potential acquisitions.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results. As disclosed previously, there are restrictions on the use of cash.

There were no changes in the Company's approach to capital management during the period ended March 31, 2017

10. INCOME TAX

Income Tax is computed on a yearly and discussed in detail in the September 30, 2016 annual audited financial statements, Note 10.

11. LOSS PER SHARE

Diluted loss per share for the period ended March 31, 2017 and 2016 is the same as basic loss per share as the impact of the exercise of the outstanding share options and warrants is nominal and does not affect the rounded result.

BANYAN GOLD CORP.

NOTES TO THE FINANCIAL STATEMENTS

For the Quarters ended March 31, 2017 and 2016

12. SUBSEQUENT EVENTS

Between April 3, 2017 and April 19, 2017 a total of 1,714,625 warrants were exercised for proceeds of \$128,543.

On May 1, 2017, the Corporation announced that it had received a Class 3 Land Use Permit for the Hyland Gold Project has been granted from the Yukon Government. This permit will allow for continued development of the Hyland Gold Project through advanced mineral exploration activities including diamond drilling, trenching geophysics and on-tenure camp support.

On May 24 and announced on May 25, the Corporation completed the definitive agreements (see Note 6) on the Aurex and McQueston projects subject to TSX Venture approval and in the case of Alexco, requiring the consent of Silver Wheaton and the Government of Canada.